

HB 1420 - DIGEST

Finds that most states use competition to maximize efficiency in their workers' compensation programs. Private sector competition in providing workers' compensation insurance has been effective in reducing premium costs, maximizing program efficiency, and creating innovative safety programs to protect all workers.

Declares that the purposes of this act are to: (1) Create an efficient and cost-effective industrial insurance system for the benefit of both employers and workers by introducing competition into the system through a choice of insurance carriers from whom employers may purchase industrial insurance;

(2) Provide workers the benefits of safety systems developed by both private enterprise and by government;

(3) Improve the state's economic climate by providing the private sector with the opportunity to engage in the industrial insurance business under government regulation;

(4) Eliminate a government monopoly with respect to choices for small employers; and

(5) Eliminate Washington's state-run industrial insurance fund.

Provides that, by December 1, 2005, the insurance commissioner must prepare, and report to the appropriate committees of the legislature, a plan for the sale of the industrial insurance state fund to a private sector, for-profit or nonprofit entity by July 1, 2007.